Final Report

ERDA 2.6-9

The Proposed Saskatchewan Pork Industry Development Centre(SPIDC)

Funded by
The Agriculture Development Fund
Prepared by: William Cooper(Farmwest Mgmt. Ltd.)
April, 1988

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Introduction

The following outline is a response to the Saskatchewan Agriculture request for further clarification on a number of points relating to the ADF proposal submitted by the Saskatchewan Pork Producers Marketing Board (SPPMB). The outline is supplementary and complimentary to the original ADF proposal and only deals with the specific concerns.

The SPPMB appointed an ad hoc committee to respond to the Department concerns and contracted with Farmwest Management Ltd. to co-ordinate the response.

1.0 Specific Items

1. Organizational structure (see chart attached)

The SPPMB would assume full responsibility for the extension needs of all pork producers in the Province. This includes program development, interpretation of research findings, promotion and program delivery. The SSPMB would make every effort to co-ordinate their efforts with all other industry and institutional service organizations.

2.0 Business Plan

The committment to provide a high level of service to all pork producers necessitates a flexible business plan. New initiatives would be explored along with the use of traditional information transfer methods. For example, rather than employing a large component of professionals, SPIDC would contract with qualified consultants for specific services. The key benefits of such an approach are budget control, an incentive for professional development by the consultant and flexibility.

Flexibility will be of prime importance to the business plan, since the service requirements will most certainly range from a referral service to on-farm consulting. The producer profile (attached) underscores the need for a flexible approach. While the committment is to provide a high level of service, budgets will dictate that priorities must be established. The SPPMB has outlined five areas of urgency in the early transition period:

(a) producer access to computer technology - i.e. the University of Minnesota program "Pig Champ", least cost rations, spread sheets, etc.

(b) engineering services i.e. follow-up consultations after construction, and professional development,

(c) herd health program - up date and expand the use of proven programs already in place,

(d) swine herd technology transfer program - presently in place under an ERDA agreement but requires permanent status to facilitated program planning,

(e) financial management planning i.e. capital requirements, operating credit, producer record systems, improving the lenders understanding of the industry.

3.0 Promotion Plan

Relative to other sectors of agriculture the SPPMB is well equipped to provide information services to pork producers. The SPIDC would have access to the names of every pork producer that markets produce. They presently publish a news letter and are prepared to develop other communications packages as required.

It is envisioned that the research component which is presently directed by a SPPMB committee would come under the wing of the new centre. This would provide a direct link between the producer and the research community and enhance the opportunity for technology transfer. A further point in this regard would be the direct benefit of having producer input into the funding

of research projects, along with some assurance that the research results would be interpreted and transferred.

4.0 Length of Project

Recognizing the substantial committment to technology transfer and to the development of the pork industry already undertaken by the SPPMB we see a relatively uneventful launch into the new regime. We would propose that this new venture not be considered a "project" but rather a ongoing program which continues to change and adapt to the new technologies of the day.

From a funding standpoint we would propose a phase-in period of three years commencing with an ADF committment for two years followed by a Saskatchewan Agriculture (Ag Extension Budget) committment in future years. This proposal recognizes the offer of $100,000/yr by SPPMB.

Our premise for suggesting an on-going financial committment by the Government of Saskatchewan is based on our assumption that publicly funded agricultural extension is going to be with us for a good number of years into the future.

Based on the percentage contribution that Saskatchewan pork production makes to total farm cash receipts, an annual contribution of approximately $200,000 would seem to be an appropriate

amount for Saskatchewan Agriculture. The amount suggested is also based on a total annual Saskatchewan Agriculture Extension budget which approaches the 7 million dollar figure.

We also anticipate substantial contributions to SPIDC from industry sources. These might range from specific research grants to the support of certain extension programs or demonstration projects.

5.0 Contract Relationships Between SPIDC, it's Consultants and Clients

Every effort would be made to base the contractual arrangements on sound business principles. This suggests ensuring that the clients are fully aware of the full cost of the service being provided. Client fee schedules would be developed based on the service required, herd size, frequency of service, etc. The discount to full cost service could then be based on the contributions made by way of public funding and producer check off contributions.

On-going needs identifications would take place through newsletters and other producer contacts. This in-turn will assist in determining the level of service provided by the SPIDC versus contractual arrangements with consultants.

6.0 Ensuring that the Clients Eventually Manage without the Support of the Centre

We are confident that our plan as outlined will move the pork industry in Saskatchewan to a new threshold. We will have the ability to out-preform all competitors. Having said that, we believe the industry will require on-going and increased services if our producers are expected to maintain the edge in this very competitive environment. Services will necessarily change but always be necessary. The challenge will be to keep that extra step ahead of our competitors.

7.0 The implications for the role of SPPMB, PSC, the Livestock Branch and the Extension Branch in the Development of the Pork Industry

As is indicated by the organizational chart, the SPIDC would provide the structure for input from all the organizations noted above, along with a direct link regarding policy input through the Assistant Deputy Minister.

Cooperation and program co-ordination would be key elements in the operation of the new venture. This will be encouraged by the fact that commodity boards of directors are continually reminded by their levy contributors of the responsible use funds.

An example of the kind of cooperation which we anticipate might be our tie-in to the University of Saskatchewan. We visualize this as being an opportunity to provide a higher level of education for potential pork producers, this would be done in part by having pork industry representatives teach classes, etc. Also the full time professors would have the opportunity to keep abreast of industry concerns and as mentioned earlier a direct link to the research community.

8.0 Implications for those Producers not in the Target Group

Extension researchers, administrators and programmers have struggled for generations with the problems of servicing certain target groups. While we recognize this as a problem, we firmly believe that the structure suggested along with SPPMB's ability to communicate with it's clients ensures a level of service consistent with the needs of the industry.

The concern generally relates to providing service to those who adopt practices at a slower rate. This problem was considered and is our specific reason for ensuring that the "Producer Group" concept (ERDA Project) receives permanent funding.

PRODUCER PROFILE

CATEGORY	1980		1987	
	NO. OF HOGS	NO. OF PRODUCERS	NO. OF HOGS	NO. OF PRODUCERS
1 - 100	156,110	6,799	64,900	3,127
101 - 200	97,186	688	56,030	386
201 - 500	173,478	553	143,008	445
501 - 1000	138,323	202	151,652	218
1001 - 2000			119,600	90
2001 - 4000	220,649	111	95,442	35
4001 - OVER			185,705	31

ORGANIZATIONAL STRUCTURE SPPMB & SPIDC